

Exhibit 36

Excerpts of July 31, 2014 M. Kopacz Deposition Transcript

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2 A. Generally, a sensitivity analysis is
3 done around a single variable.

4 Q. Okay.

5 A. Right?

6 Q. And all of the sensitivity
7 analyses -- analyses you have done have been done
8 around a single variable, right?

9 A. Yes.

10 Q. And when it predicts a -- the effects
11 of a 1 percent change, it would be that absolute
12 number whether the 1 percent is up or whether the
13 1 percent is down, correct?

14 A. Yes. Yes.

15 MR. STEWART: That is all I have.

16 MR. HACKNEY: This might be a good
17 time for a break. I'm going to move all my
18 stuff over there.

19 MR. STEWART: Sure.

20 THE VIDEOGRAPHER: Okay. The time
21 now is 11:04 a.m. We're going off the
22 record.

23 (Whereupon, there was a brief recess
24 in the proceedings.)

25 THE VIDEOGRAPHER: Time now is

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2 11:12 a.m., and we're back on the record.

3 EXAMINATION BY MR. HACKNEY:

4 Q. Ms. Kopacz, we've met before but --

5 A. We have.

6 Q. -- I'll introduce myself again. My
7 name is Steve Hackney and I represent Syncora in
8 the City of Detroit bankruptcy case. It's ice to
9 see you again.

10 A. Nice to see you again.

11 Q. Let me ask you some open-ended
12 questions at the start here.

13 I first want to confirm that you're
14 not intending to offer opinions other than the
15 ones that are contained in your report, correct?

16 A. That is my intention, yes.

17 Q. Okay. And you have disclosed the
18 bases for your opinions as well as the facts and
19 data that you considered in your report, correct?

20 A. Yes.

21 Q. What are the limitations of the EY
22 forecasts in your view? And I'm going to get some
23 terminology down here, which is to say when I
24 refer to the EY forecast at large, I mean all of
25 them. So I mean the -- the baseline forecast

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2 without RRI's. I mean the forecast with RRI's. I
3 mean the 40-year forecast. So when I refer to the
4 forecasts at large, I'll call them the EY
5 forecasts. Does that work for you?

6 A. And that includes the Conway
7 position?

8 Q. It does.

9 A. Okay.

10 Q. Because you have to -- to have a name
11 for them and ultimately EY assembled them.

12 A. Right.

13 Q. And so -- I mean, I can call them
14 whatever you want, put it another way --

15 A. Okay.

16 Q. -- but if there's a time where you
17 want to say well, Steve, I need to talk about this
18 instead of this, let me know. Okay?

19 And, as a general rule, if I ask you
20 a question that doesn't make sense, as I am wont
21 to do, will you please let me know so that I can
22 rephrase it?

23 A. Yes.

24 Q. If you -- do you understand that if
25 you answer my question, I'm going to assume that

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2 you understood my question?

3 A. Yes.

4 Q. So going back to it, what are the
5 limitations of the EY forecasts that are included
6 in the plan in your view?

7 A. The limitations? I'm struggling with
8 the word "limitations."

9 Q. Okay.

10 A. As I said in an answer to
11 Mr. Stewart's question, the projections in the
12 City's plan are -- were created for specific
13 purpose and they are not what we would typically
14 expect to see as a set of projections for a plan
15 of reorganization in a Chapter 11 case. So,
16 they're just -- they're -- it takes more effort to
17 understand what they are and what they aren't.

18 Q. Going back to that, I wanted to make
19 clear that you are specifically disclaiming any
20 opinions on whether the -- whether the plan is in
21 the best interests of creditors, correct?

22 A. That was not in my scope.

23 Q. And you don't have any opinions on
24 that?

25 A. I do not have an opinion.

<p style="text-align: right;">Page 101</p> <p>1 - MARTI KOPACZ - VOLUME 1-</p> <p>2 Q. And you did not attempt to -- to</p> <p>3 determine whether the -- the City might do better</p> <p>4 than the -- the forecasts such that there would be</p> <p>5 more to distribute to creditors, correct?</p> <p>6 A. Yes. And I -- I think at some point</p> <p>7 in my report I said there are -- there are things</p> <p>8 that I didn't -- that I very clearly didn't do,</p> <p>9 and I didn't -- I didn't look at best interest of</p> <p>10 creditors. It was outside of my scope, and I</p> <p>11 didn't look to see if there was a way in which the</p> <p>12 City could generate more cash, and I didn't look</p> <p>13 at any of the alternative plans.</p> <p>14 Q. And just to be clear, to the extent</p> <p>15 the City is purporting to use the projections to</p> <p>16 satisfy the best interests of creditors test, you</p> <p>17 do not have an opinion that the projections are</p> <p>18 appropriate for that purpose, correct?</p> <p>19 A. I don't have any opinion around best</p> <p>20 interest at any level.</p> <p>21 Q. Okay. But I have to tie it to the</p> <p>22 forecasts as well, correct? You're not saying</p> <p>23 these forecasts satisfy the City's burden in</p> <p>24 connection with the best interests of creditors?</p> <p>25 A. I -- no. I don't have any -- I don't</p>	<p style="text-align: right;">Page 103</p> <p>1 - MARTI KOPACZ - VOLUME 1-</p> <p>2 stuff, right? And at that point in time, when</p> <p>3 KPMG signs off and it files its CAFR, then --</p> <p>4 CAFR, C-A-F-R, comprehensive annual financial</p> <p>5 report, those are numbers that have been vetted,</p> <p>6 if you will.</p> <p>7 Q. The negative implication of your</p> <p>8 question is that in between CAFRs, the City does</p> <p>9 not have reliable financial records, correct?</p> <p>10 A. They have ad hoc records.</p> <p>11 Q. They are definitely ad hoc.</p> <p>12 A. Yes.</p> <p>13 Q. Are they reliable?</p> <p>14 A. Some may be and some may not be.</p> <p>15 Q. Okay. You did not have sufficient</p> <p>16 time to audit the records of the City, correct?</p> <p>17 A. No, and it wasn't in my scope.</p> <p>18 Q. Okay. So you have not made a</p> <p>19 determination as to whether the financial</p> <p>20 information upon which the projections are built,</p> <p>21 to the extent that they're not derived from a</p> <p>22 CAFR, are based on reliable financial records,</p> <p>23 correct? You haven't made that determination.</p> <p>24 A. Can you repeat the question, please?</p> <p>25 MR. KANE: I was distracting her with</p>
<p style="text-align: right;">Page 102</p> <p>1 - MARTI KOPACZ - VOLUME 1-</p> <p>2 have anything to say about that.</p> <p>3 Q. Okay. I guess -- let me go back to</p> <p>4 the subject of limitations and give you an example</p> <p>5 to help inform my question a little bit.</p> <p>6 So you're aware that the City has</p> <p>7 what I'll describe as troubled data systems with</p> <p>8 respect to the collection of financial records?</p> <p>9 A. Yes.</p> <p>10 Q. You're also aware that the forecast</p> <p>11 is, in some respects, based on historical</p> <p>12 financial records?</p> <p>13 A. Yes.</p> <p>14 Q. So, an example of a limitation would</p> <p>15 be that if the City has historical financial</p> <p>16 records that are of questionable validity, that</p> <p>17 that could be a limitation on the accuracy of the</p> <p>18 forecast. So I'm using this as an example of</p> <p>19 something that could be a limitation. I'm not</p> <p>20 saying that it is or it isn't, but I'm trying to</p> <p>21 inform my question to you more to help put some</p> <p>22 meat on the bones so to speak.</p> <p>23 A. The City has accurate financial</p> <p>24 information once a year when it completes its --</p> <p>25 its annual audit and gets its annual financial</p>	<p style="text-align: right;">Page 104</p> <p>1 - MARTI KOPACZ - VOLUME 1-</p> <p>2 the microphone.</p> <p>3 MR. HACKNEY: That's okay. It's a</p> <p>4 long one, but I think it was the best way to</p> <p>5 ask it, so it may be better to have it read</p> <p>6 back.</p> <p>7 (The question requested was read back</p> <p>8 by the reporter.</p> <p>9 THE WITNESS: That didn't help me.</p> <p>10 Can we try again?</p> <p>11 BY MR. HACKNEY:</p> <p>12 Q. Yeah. So, I think -- let me try and</p> <p>13 summarize what you've said.</p> <p>14 I believe that you have testified</p> <p>15 that you believe the CAFRs are reliable financial</p> <p>16 information sets, correct?</p> <p>17 A. Right. I -- the CAFRs are based on</p> <p>18 financial information that has been tested and</p> <p>19 vetted and upon which KPMG has opined. Okay?</p> <p>20 I may quibble with some of the</p> <p>21 accounting that's in there just because I have a</p> <p>22 view of certain things. Okay? But at least at</p> <p>23 that point in time, if we're looking at, for</p> <p>24 example, the CAFR in June of '12, which was the</p> <p>25 basis for the original baseline by E&Y, if they</p>

26 (Pages 101 to 104)